

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

TELCORDIA TECHNOLOGIES, INC.,	)	<b>REDACTED</b>
	)	<b>PUBLIC VERSION</b>
Plaintiff,	)	
	)	Civil Action No. 04-876-GMS
v.	)	
	)	
CISCO SYSTEMS, INC.,	)	
	)	
Defendant.	)	
_____	)	

**DECLARATION OF JAMES J. NAWROCKI IN SUPPORT OF TELCORDIA  
TECHNOLOGIES, INC.'S MOTION FOR (1) AN AWARD OF PREJUDGMENT  
INTEREST AND (2) AN ACCOUNTING OF DEFENDANT CISCO SYSTEMS, INC.'S  
INFRINGING SALES SINCE JANUARY 31, 2007**

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Dated: May 30, 2007

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

**TELCORDIA TECHNOLOGIES, INC.,**

**Plaintiff,**

**V.**

**CISCO SYSTEMS, INC.**

**Defendant.**

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Civil Action No. 04-876-GMS

**DECLARATION OF JAMES J. NAWROCKI**

**I, James J. Nawrocki, declare under penalty of perjury the following:**

1. I have been retained as an expert on behalf of the Plaintiff, Telcordia Technologies, Inc. ("Telcordia"). I am a certified public accountant at the firm IP Financial Consulting LLC ("IPF"). IPF is a financial consulting firm that provides corporate, individual and law firm clients with financial assessments of intellectual property and other corporate assets. My credentials and experience are described in detail in my June 28, 2006, report submitted in this matter regarding damages claimed by Telcordia.

2. I have been asked by Telcordia's counsel to calculate prejudgment interest on damages awarded by a jury verdict on May 10, 2007. I understand that the jury awarded Telcordia damages of \$6.5 million on sales of infringing products for the period

September 2001 through January 2007. I have only received Cisco's sales data through January 2007, and therefore reserve the right to supplement my calculation of prejudgment interest, as set forth herein, to include interest on Cisco's infringing sales thereafter if that information is made available.

3. Based upon the facts and circumstances of this case and the May 29, 2007 Declaration of Joseph Giordano, I have been asked by the Plaintiff's counsel to calculate prejudgment interest on the damages awarded by the jury based on the Prime Rate compounded quarterly. Quarterly revenues were calculated based on the monthly sales of infringing products. I have assumed that quarterly revenues would be due on the first day of the following quarter (e.g. the combined October, November and December 2001 revenues would be due January 1, 2002). I have calculated prejudgment interest from the day that the revenues would be due through May 31, 2007. My prejudgment interest calculation is attached to this declaration as Schedule 1. Shown below is a summary of the interest calculated under this method:

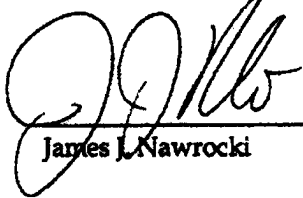
	<b>Quarterly Compounding (Damages Begin 9/7/01)<sup>1</sup></b>
<b>Damages</b>	<b>\$6,500,000</b>
<b>Interest</b>	<b>\$1,161,616</b>
<b>Damages with Interest</b>	<b>\$7,661,616</b>

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<sup>1</sup> See Schedule 1

4. Pursuant to the provisions of 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 29th day of May 2007 in Houston, Texas.



James J. Nawrocki

Schedule 1

**Telcordia Technologies, Inc. v. Cisco Systems, Inc.**  
**Interest Calculation for Damages**  
**at Prime Rate**

	Annual Prime Rate <sup>1</sup>	Periodic Rate <sup>2</sup>	Sales of Infringing Products <sup>3</sup>	Damages <sup>4</sup>	Beginning Principal	Interest	Ending Principal
Qtr 3-2001 <sup>5</sup>	6.91%	1.73%	\$16,122,759	\$103,355	\$103,355	\$1,785	\$105,140
Qtr 4-2001	6.91%	1.73%	56,301,382	360,920	466,061	5,441	471,502
Qtr 1-2002	4.67%	1.17%	57,288,748	367,250	838,751	9,792	848,544
Qtr 2-2002	4.67%	1.17%	48,213,936	309,076	1,157,619	13,515	1,171,135
Qtr 3-2002	4.67%	1.17%	41,930,160	268,793	1,439,928	16,811	1,456,739
Qtr 4-2002	4.67%	1.17%	(134,524,781)	(862,371)	594,368	6,122	600,490
Qtr 1-2003	4.12%	1.03%	37,933,625	243,174	843,663	8,690	852,353
Qtr 2-2003	4.12%	1.03%	36,878,160	236,408	1,088,761	11,214	1,099,975
Qtr 3-2003	4.12%	1.03%	40,498,031	259,613	1,359,588	14,004	1,373,591
Qtr 4-2003	4.12%	1.03%	44,569,013	285,710	1,659,301	18,003	1,677,304
Qtr 1-2004	4.34%	1.09%	47,902,893	307,082	1,984,386	21,531	2,005,917
Qtr 2-2004	4.34%	1.09%	50,752,160	325,347	2,331,263	25,294	2,356,558
Qtr 3-2004	4.34%	1.09%	50,207,646	321,856	2,678,414	29,061	2,707,475
Qtr 4-2004	4.34%	1.09%	47,868,211	306,859	3,014,334	46,647	3,060,981
Qtr 1-2005	6.19%	1.55%	58,092,151	372,400	3,433,381	53,132	3,486,512
Qtr 2-2005	6.19%	1.55%	77,436,779	496,409	3,982,921	61,636	4,044,556
Qtr 3-2005	6.19%	1.55%	54,694,951	350,622	4,395,179	68,015	4,463,194
Qtr 4-2005	6.19%	1.55%	50,521,501	323,868	4,787,062	95,263	4,882,325
Qtr 1-2006	7.96%	1.99%	61,676,753	395,379	5,277,704	105,026	5,382,730
Qtr 2-2006	7.96%	1.99%	78,677,306	504,361	5,887,091	117,153	6,004,244
Qtr 3-2006	7.96%	1.99%	78,264,782	501,717	6,505,961	129,469	6,635,429
Qtr 4-2006	7.96%	1.99%	93,243,735	597,739	7,233,168	149,184	7,382,352
Qtr 1-2007	8.25%	2.06%	19,411,317	124,436	7,506,789	154,828	7,661,616
Qtr 2-2007 <sup>6</sup>	8.25%	2.06%					
<b>Total</b>			<b>\$1,013,961,217</b>	<b>\$6,500,000</b>		<b>\$1,161,616</b>	<b>\$7,661,616</b>

**Notes:**

1. Source: [www.federalreserve.com](http://www.federalreserve.com)
2. Calculated as annual prime rate divided by 4 quarters
3. Quarterly sales derived from annual sales amounts shown on PTX-1812
4. Quarterly damages determined by time phasing the \$6.5 million award based upon the quarterly sales of infringing products
5. Includes Sales of infringing product beginning September 2001
6. Interest is calculated through May 31, 2007

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